

City of Detroit

CITY COUNCIL

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TO: Phyllis Meadows, PhD., Director
Department of Health and Wellness Promotion

FROM: Irvin Corley, Jr., Fiscal Analysis Director **ly.**

DATE: April 27, 2007

RE: 2007-2008 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Finance Director
Pamela Scales, Budget Director
Alia Moss, Budget Manager
Kandia Milton, Mayor's Office

Department of Health and Wellness Promotion (25)

FY 2007-2008 Budget Analysis by the Fiscal Analysis Division

Summary

The Health and Wellness Department is a General Fund agency. However, 65% of the department's funding comes from state and federal funds.

The mission of the Health and Wellness Department is to provide and assure the delivery of health services, which promote health, well-being, prevention and control the spread of disease. The department operates the Herman Kiefer Health Complex that includes a primary care center, three other primary care centers throughout the city, the Animal Control Center, and is responsible for the Food Sanitation Program. The department formerly administered the Rodent Impact Program, but the Mayor transferred this program over to the Department of Environmental Affairs in the current fiscal year.

The recommended 2007-2008 budgeted appropriations total \$91.99 million, a \$5.33 million increase over the current fiscal year. The department's 2007-2008 net tax cost is \$13.9 million, a decrease of \$1.08 million, over the current fiscal year's net tax cost.

The budget recommends no net change in positions, only a shift of 6 positions from city funding to grant funding for an agency total of 404 positions.

2006-2007 Surplus/Deficit

The Mayor anticipates the Health and Wellness Department will end up with a \$2.22 million surplus. This is made up of an appropriations surplus of \$2.24 million offset by a revenue deficit of \$.02 million. The surplus is due to vacant positions, of which the department currently has 68.

Overtime

The department's current year budget contains an overtime budget of \$113,268. As of March 31, 2007, \$46,000 was spent on overtime.

The recommended overtime budget for FY 2007-2008 is \$71,835, a decrease of 37%.

Personnel and Turnover Savings

Following is information by appropriation comparing current FY 2006-2007 budgeted positions, March 31, 2007 filled positions and FY 2007-2008 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 03/31/2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>	<u>Mayor's Recommended Turnover</u>
Dept. of Health & Wellness Promotion (25):					
250010 Administration	13	7	13	(6)	
250020 Duplication & Delivery	2	2	2	0	\$ -
250030 Data Management	0	0	0	0	\$ -
250040 Storekeeping	2	0	0	(2)	\$ -
250050 Vital Records	12	12	12	0	\$ -
250060 Biostatistics	12	8	13	(4)	\$ -
00068 Administration	41	29	40	(12)	\$ 69,996
250340 Epidemiology	14	14	22	0	\$ -
250345 Immunization - General Fund	8	0	8	(8)	\$ -
250350 STD Control	8	4	8	(4)	\$ -
250420 Tuberculosis Control	8	7	0	(1)	\$ -
00070 Communicable Disease Control	38	25	38	(13)	\$ 195,393
250470 Laboratory	31	24	30	(7)	\$ -
250480 Pharmacy	6	5	6	(1)	\$ -
250490 Radiology	0	1	0	1	\$ -
00073 Technical Support Services	37	30	36	(7)	\$ 351,294
00074 Primary Family Care	4	9	4	5	\$ -
250180 Public Nursing-Adm.-Community	5	3	5	(2)	\$ -
250190 Community Nursing Svc.-Community	17	14	16	(3)	\$ -
250200 Infant Death Reduction-Community	12	12	12	0	\$ -
250210 Medicaid Screening-Community	8	5	10	(3)	\$ -
250270 School Vision & Hearing	3	1	3	(2)	\$ -
250700 Medical Social Work	5	3	5	(2)	\$ -
00077 Community Health Services	50	38	51	(12)	\$ 327,094
00078 Substance Abuse	5	4	5	(1)	\$ -
250070 Housekeeping	2	0	0	(2)	\$ -
250080 Maintenance	0	0	0	0	\$ -
250090 Plant Protection	0	0	0	0	\$ -
00081 Plant Opns. & Maint.-Herman Keifer	2	0	0	(2)	\$ -
00410 Nutrition Services	7	2	7	(5)	\$ 147,124
10836 Lead Abatement	7	3	7	(4)	\$ 144,305
10889 Grace Ross Center	8	5	7	(3)	\$ 27,185
10890 Northeast Center	12	10	11	(2)	\$ -
10892 Herman Keifer Family Center	10	10	10	0	\$ 111,463
10893 Animal Control Center	21	19	22	(2)	\$ 140,158
10894 Community & Industrial Hygiene	14	11	12	(3)	\$ -
10895 Food Sanitation	24	18	24	(6)	\$ 89,568
10896 Rodent Impact Program	0	0	0	0	\$ -
258352 WIC Supplemental Food 9/2006	0	0	0	0	\$ -
258355 WIC Supplemental Food 9/2007	63	59	0	(4)	\$ -
11676 WIC Supplemental Food 9/2006	63	59	0	(4)	\$ -
11679 Child Lead Prevention-CDC 7/2006	0	0	0	0	\$ -

Appropriation/Program	Budgeted	Filled	Mayor's	Over/(Under)	Mayor's
	Positions	Positions	Budget	Actual to	Recommended
	FY 2006-07	03/31/2007	FY 2007-08	06/07 Budget	Turnover
Dept. of Health & Wellness Promotion (25):					
11680 Childhood Lead (MDCH) 9/2006	0	0	0	0	\$ -
11681 Adol. Health-Alter. Models 9/2006	0	0	0	0	\$ -
11687 Case Coordinating & Support 9/2006	0	0	0	0	\$ -
11688 Local Maternal & Children BG 9/2006	0	0	0	0	\$ -
11689 CSHCS Outreach & Advocacy 9/2006	0	0	0	0	\$ -
11690 Family Planning 9/2006	0	0	0	0	\$ -
11691 Immunization Action Plan 9/2006	0	0	0	0	\$ -
11694 STD Control 9/2006	0	0	0	0	\$ -
11696 Bio-Terrorism Laboratory 9/2006	0	0	0	0	\$ -
11705 Healthy Start Initiative 8/2006	0	0	0	0	\$ -
11967 WIC Supplemental Food 9/2007	0	0	0	0	\$ -
12029 Childhood Lead Prev.-CDC 6/2007	3	0	0	(3)	\$ -
12041 Childhood Lead (MDCH) 9/2007	8	6	0	(2)	\$ -
12042 Adol. Health-Alter. Models 9/2007	2	1	0	(1)	\$ -
12053 Bio-Terrorism Emerg. Prep. 9/2007	0	0	0	0	\$ -
12054 Bio-Terrorism Laboratory 9/2007	1	3	0	2	\$ -
12057 CSHCS Outreach & Advocacy 9/2007	9	8	0	(1)	\$ -
12058 Family Planning 9/2007	6	5	0	(1)	\$ -
12059 Immunization Action Plan 9/2007	8	8	0	0	\$ -
12061 Local Maternal & Children BG 9/2007	11	9	0	(2)	\$ -
12066 STD Control 9/2007	10	7	0	(3)	\$ -
12072 Healthy Start Initiative 5/2007	3	1	0	(2)	\$ -
12290 WIC Supplemental Food 9/2008	0	0	65	0	\$ -
12293 Childhood Lead Prev.-CDC 6/2008	0	0	4	0	\$ -
12294 Childhood Lead (MDCH) 9/2008	0	0	6	0	\$ -
12295 Adol Hlth-Alter Models 9/2008	0	0	0	0	\$ -
12301 Bio-Terrorism Emer Prep 9/2008	0	0	3	0	\$ -
12302 Bio-Terrorism Laboratory 9/2008	0	0	1	0	\$ -
12305 CSHCS Outreach & Advocacy	0	0	10	0	\$ -
12306 Family Planning 9/2008	0	0	6	0	\$ -
12307 Immunization Action Plan	0	0	4	0	\$ -
12310 Local Maternal & Children BG 9/2008	0	0	11	0	\$ -
12313 Nurse/Partnership 9/2008	0	0	7	0	\$ -
12316 STD Control 9/2008	0	0	10	0	\$ -
12322 Healthy Start Initiative 7/2008	0	0	3	0	\$ -
25XXXX Leave of Absence	0	(11)	0	0	\$ -
25XXXX Worker's Comp.	0	(2)	0	0	\$ -
25XXXX Unmatched Positions	0	29	0	0	\$ -
TOTAL	<u>404</u>	<u>336</u>	<u>404</u>	<u>(68)</u>	<u>\$ 1,603,580</u>

Significant Changes in Funding by Appropriation

- Salary accounts should have increased by \$1.5 million to cover the 10% wage restoration starting in July. However, the department has taken \$1.6 million in turnover savings, thereby not filling vacant positions in general fund activities.
- Pension and Benefit accounts decrease by \$834,000 reflecting the changes in pension and healthcare cost projections.
- The medical-organizations account shows a \$2.9 million increase and this \$48.6 million appropriation is used to contract with the medical programs (such as the substance abuse coordination agency, Medicaid substance abuse, etc.) administered by the community health services activities.
- Contractual services increase by \$580,000.
- Operating supplies decrease by \$449,000.
- Operating services including utilities increase by \$290,000.
- Miscellaneous expenses decrease by \$1,187,000.
- Capital expenditures through g.o. bond obligations increase by \$4,000,000.

Department of Health & Wellness Promotion (25)

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2006-07 Budget</u>	<u>FY 2007-08 Recommended</u>	<u>Increase (Decrease)</u>
Administration	\$ 15,000	\$ 110,814	\$ 95,814
Personal Health Services	740,000	1,148,157	408,157
Community Health Services	45,993,688	48,523,470	2,529,782
Environmental Health Services	417,186	822,776	405,590
Clinical Support Services	340,285	470,521	130,236
Total	<u>\$ 47,506,159</u>	<u>\$ 51,075,738</u>	<u>\$ 3,569,579</u>

Significant Revenue Changes

Grant revenues increase by \$1.45 million – federal grants increase by \$2.47 million and state grants decrease by \$1.03 million.

City fees and revenues have a net increase of \$975,000:

- Hospitals & Clinics revenue increases by \$789,000.
- Other Reimbursements revenue increases by \$713,000.

- Other Reimbursements-State decreases by \$900,000.
- Other Fees revenue is expected to increase by \$517,000.
- Building Rental and Miscellaneous Revenue decrease by \$144,000.

Issues and Questions

1. Please explain the rationale of reporting goals and objectives that in order to succeed, will need the staff as budgeted, however, the plan as presented includes \$1.6 in turnover savings, which will prevent the necessary number of staff to be hired. In fact, the only reason the department is showing a surplus this year, is due to staff not being hired, although turnover savings was not taken in the current year. When does the Administration think that these positions will be able to be filled? Why can't the Administration amend its goals and objectives to reflect the true level of staffing and thereby amending the proposed outputs?
2. The Administration recently asked Council to authorize land sales of property that the Health Department had deemed surplus. The majority of the property was two former health clinics – Bruce Douglas on West Warren and the Eastside Health Center on Kercheval. The properties were sold to Detroit Community Health Connections, Inc. (DCHC), a non-profit that already runs three health centers and on their website already have directions and hours to Bruce Douglas and the Eastside Health Center. Since these properties could not already have been sold/closed with the city, has the DCHC been leasing these properties prior to the sale? Why didn't we sell the business as opposed to just the facilities? Why would DCHC be able to run these clinics when the city felt it prudent to close them? If DCHC is able to run them without a general fund subsidy, have them certified as federally qualified health centers (FQHC) and provide an excellent level of care why does the city continue to remain in the clinic business directly?
3. Please explain the changes in revenue projections for Hospital & Clinics as well as Other Reimbursement accounts. Why are some increasing and some decreasing? Last year the department was eligible to bill for Medicare, but projected no revenues for 2006-2007. What happened with billings and collections during the fiscal year?
4. The other piece of property that the Council was asked to authorize for a land sale was the Animal Control Center. Is the Animal Control Center still being used? What are the department's subsequent plans? Please provide the timetable for completing a new Animal Control Facility. Where will it be located? Is there any chance that the city can partner with any other animal society groups to handle this function?
5. Grants tend to be cyclical, however is any of the 2% reduction in state grants due to the recent state budget problems?

6. Page 25-11: The department looks to increase home visitations for all programs by 200%. How will this be accomplished when the Community Health Services activity loses 37 positions?
7. Why would the Miscellaneous Expense account be budgeted as a negative \$1.41 million?
8. Please list the fee increases that took place in the current year and if they have had any affect on the transactions that normally take place between the Health Department and the citizens or businesses.
9. What fees are anticipated to increase in the 2007-2008 recommended budget?